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CENTRAL INTELLIGENCE GROUP
INTELLIGENCE REPORT

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DATE:

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DIST. 11 July 1947

COUNTRY Korea

SUBJECT Economic Information: Food Conditions
in North Korea

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Director of Central Intelligence to
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SUPPLEMENT

1. Food is becoming increasingly scarce in all parts of North Korea, but the greatest scarcity exists along the east coast, especially in the Chongjin (Seishin) (129-49, 41-46)-Nanam (Ranan) (129-41, 41-42) area. Farmers still have food available but the scarcity is being felt, particularly in the larger cities. It is difficult to obtain rice in eastern Korea, and in many places the staple food is cornmeal.

25X1A 2. The following prices for rice prevail in the open market in the following cities: [REDACTED] Note: A recent rumor puts the exchange rate between North Korean Won and South Korean Won at 1:5. The official exchange rate between South Korean Won and U. S. is currently 60:1, black market rate, 350:1).

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Uiju (Gishu)	One Tu (30 chin)	1455 Won	5 February 1947
(124-32, 40-12)	" "	"	"
Chongju (Teishu)	" "	1150 "	7 "
(125-12, 39-42)	" "	"	"
Pyongyang (Heijo)	" "	1550 "	9 "
(125-44, 39-01)	" "	"	"
Hamhung (Kanko)	" "	1990 "	14 "
(127-32, 39-54)	" "	"	"
Chongjin	" "	2200 "	20 "
		"	"

3. In Chongjin and Hamhung, it is very difficult to find rice on the open market, and the main staple foods in those areas are now cornmeal and potatoes. In Chongju rice is plentiful. Foodstuffs, mainly rice and cornmeal, were shipped out of North Pyongan Province to the Chongjin area during the winter months. Rice has also been moved from the Chongju area to Pyongyang. Seafood is plentiful and inexpensive in Chongjin.

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25X1X 4. Government officials and officials of the various organizations (such as Womens League, Labor Party, etc.) who work full time for their organizations receive from the Consumers Association a special food issue of rice or cornmeal each month plus an issue of other commodities such as matches, towels and soybean oil. They receive 36 chin of rice or cornmeal per month and an additional 18 chin for each parent over 60 years of age and each child under 16. This issue is regarded as partial compensation for their services, as their wages are usually between 700 and 800 won per month, which is low in comparison with the amounts earned by other individuals. Factory workers are regarded as government employees and receive the rice issue also.

5. The Consumers Associations, under the jurisdiction of the Peoples Committees, have charge of the collection of foodstuffs from the farmers, the storing of the food, and the distribution of the food to government employees. Collection from the farmers is accomplished through the "commodity" tax, which requires the farmer to turn over approximately 25% of his yearly production to the Consumers' Association. If the amount of food collected through the commodity or material tax is insufficient, officials of the Consumers' Association can purchase additional foodstuffs from the farmer at a low price fixed by the government. This is being done at the present time and is one of the greatest sources of discontent for the farmer. The farmer is dissatisfied with the commodity tax but is willing to put up with it. He is much more dissatisfied with the purchase of his harvest at a low price. Opposition of farmers has caused a temporary halt in the government's rice-buying program in North Pyongan Province. The food is stored in small storehouses throughout the rural areas. Large quantities are then moved into the large cities and stored there. Sakchu (Gakushu) (125-02, 40-24), Sinuiju (Shingishu) (124-24, 40-06) and Chongju contain the three principal storehouses for North Pyongan Province.

6. The great majority of the population believe that large quantities of food have been sent to the USSR. In many railway stations large quantities of rice are awaiting shipment. This rice is usually guarded by Peace Preservation Corps troops, except in the larger cities where Soviet guards or both Soviet and Korean guards are used. The Korean Communist government, however, has denied that the Soviets are taking food from the country and has issued contrary statements which point out that the Soviets are bringing food into the country rather than removing it.

25X1X 7. [redacted] denies reports that the Soviets actually went out into the country and requisitioned commodities. [redacted] all commodities are collected by the People's Committee through the Consumers' Association, and he believes that foodstuffs have been turned over to the Soviets by the Association but knows of no actual instance in which this was done.

8. Leaflets have appeared in many farm villages in North Pyongan Province blaming the Soviets and the Peoples' Committees for the present food shortage.

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9. In the Sakchu area, members of the Democratic Young Men's League, a government-sponsored organization, demonstrated against Korean Peace Preservation Corps officials and members of the local Peoples Committee in a protest against the presence of Chinese Communist troops in the area and the consumption of local food by these troops. Members of the Democratic Young Men's League beat officials connected with the Peace Preservation Corps Headquarters in Sakchu and officials of the local Peoples Committee. Members of the Provincial Government came to Sakchu and explained to the local people that the Chinese Communists were their friends and that the Chinese Communists would protect them in future fighting. No mention was made of the persons from whom the Chinese Communists would protect them. Note: [redacted] para four, on riots in North Pyongan Province.)

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10. In Sinuiju during February 1947 students thought the price of rice too high and took the rice from the merchants by force, paying them one-half the price asked. Farmers then refused to bring their rice to Sinuiju and the price rose to 1800 won per one tu.

11. Commodity prices in Uiju on 6 February 1947:

Rice	1 Tu (30 chin)	1450 Won
Cornmeal	1 Tu	900
Flour	1 Chin	65
Sugar	1 Chin	400
Cigarettes (locally made)	Pack	30
Pork	1 Chin	70
Beef	1 Chin	80

12. Commodity prices in Chongjin on 20 February 1947:

Rice	1 Tu	2200 Won
Beef	1 Chin	100
Fish (6"long)	Each	20
Cigarettes (locally made)	Pack	40
Wine	1 Tu	70
Artificial silk	1 foot	400
Potatoes	1 Tu	900

All the large stores in Chongjin have no goods to sell and are closed. Most of the buying and selling is now carried on in the open market.

13. Price of gold and silver (throughout North Korea?):

1 liang gold	32,000 Won
1 Korean silver "dollar"	270 Won (formerly one dollar was equal to one won. This coin has not been used in recent years as a monetary unit and circulates now as a commodity.)

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